

DOCKET FILE COPY ORIGINAL

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC

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APR 5 2001

In the Matter of:

Request for Declaratory Ruling on)
Waiver of section 54.504(b)(2)(ii))
of the Commission's rules.)

Docket
96-45

FCC MAIL ROOM

PREAMBLE

On January 30, 2001, the State of Alaska filed a petition for waiver of section 54.504(b)(2)(ii) of the rules and seeks a declaratory ruling in this matter.

Nook Net opposes the above captioned petition for such rules waiver and declaratory ruling requested by the State of Alaska.

Nook Net is an internet service provider in Rural Alaska. It is a Minority and Native owned enterprise, a small business and an independent provider internet service to several villages in the Bering Strait/Seward Peninsula region.

Nook Net is headquartered in Nome, Alaska and provides dialup internet service to Nome, Unalakleet, Shishmaref, White Mountain, Teller and Brevig Mission. Its address of record is:

Nook Net, P.O. Box 970, Nome, Alaska 99762

THE STATE PETITION

In essence, the State of Alaska proposes that schools be able to share their e-rate paid-for bandwidth in providing dialup internet service in a village in which no other local call service is available. It proposes that such a service be provided only "outside school hours and dates".

STATEMENT OF OPPOSITION

The State petition, while on the surface well intentioned, has several serious flaws:

- (1) It does not address how this bandwidth would be utilized, or by which entity. Is the School in question to be the the Internet Provider? If so, would it do so directly or by contracting out to an outside party? If not, who would be the provider of the service and how would it be chosen?
- (2) This proposal seriously undermines competition and eliminates incentives for private enterprise to provide the service or seek regulatory relief of tariffed telecommunications services. It also impairs the development of alternative data transport in the State.
- (3) This proposal clearly places the present e-rate provider to the school in question in a defacto monopolistic situation, with

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bandwidth paid for by the government and equipment quickly paid off as the gross income for the service quickly pays it off. This is highly unfair and disadvantageous for any legitimate Internet Provider wishing to enter these markets.

- (4) The quality of proposed service is poor. During school hours, business users would not be able to connect. Many adults, with free time once their children go to school, will not be able to connect.
- (5) The hours of service are interruptible if, for instance, schools need to provide short-notice night classes, activities involving internet usage, or summer schools.
- (6) Small businesses, such as Native and Minority owned internet providers are in effect locked out or displaced from the market.

THE REAL PROBLEM

The real problem, of course, is the telecommunications rates charged by the Certificated carriers for transport to these villages. For instance, a T1 line generally lists for \$14,000 per month, and a simple 56K line for about \$1,700 per month. When these costs are allocated among the potential users in a village of 200 to 300 persons, the cost per user soars to unreasonable levels.

Nook Net has utilized Private Microwave and Wireless techniques to provide service to some villages, while at others Tariffed lines at marginal or no profit are used.

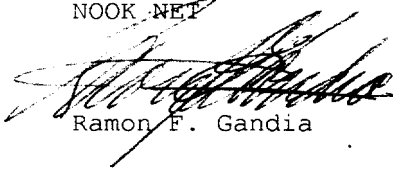
The State proposal does not address cost reductions for data transport in Alaska, rather it perpetuates the high prices and high costs and does nothing to promote lower costs, which is the real solution.

RELIEF SOUGHT

Nook Net requests that this proposal be denied.

Respectfully submitted:

NOOK NET



Ramon F. Gandia

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